# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:4847
ANSWERED ON:16.12.2016
World Bank Data
Jena Shri Rabindra Kumar

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government is aware of the World Bank Data suggesting that India's Gross Capital formation has shown a declining trend since 2011 in comparison to China;
(b) if so, the details thereof and the reasons thereof; and
(c) the steps taken by the Government in this regard?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL):

(a) and ( b) : As per the World Bank Group's Report titled 'South Asia Economic Focus Fall 2016 - Investment Reality Check', in terms of annual growth rates, Gross Capital Formation in China has been declining steadily since the post-crisis recovery of 2009, and had reached almost zero in 2015. However, in India, while the growth rate of Gross Capital Formation has declined through 2013-14, it has picked up since.

(c): The Government has taken various initiatives to strengthen investment and economic growth which, inter alia, include; fillip to manufacturing and infrastructure through fiscal incentives and concrete measures for transport, power, and other urban and rural infrastructure; reforms and liberalization of foreign direct investment in major sectors; measures to debottleneck the supply of key raw materials etc. Initiatives like Digital India, Make in India and Start-up India have been launched to boost entrepreneurship. The efforts to simplify business and investment-related clearances and fast-track governance reforms have helped India to improve its status as an investment destination. In addition, many other initiatives like launching of Micro Units Development and Refinance Agency Ltd. and Stand Up India Scheme" to promote entrepreneurship among SC/ST and women entrepreneurs have been also launched. The implementation of scheme for Enhancement of Competitiveness in the Indian Capital Goods Sector that aims to make Indian capital goods industry globally competitive will help reviving the capital goods sector, and thereby investment. The National Policy on Capital Goods Sector, approved by the Cabinet in May 2016, that envisages making India one of the top capital goods producing nations of the world by increasing production, raising exports and improving technology to advanced levels is also likely to strengthen domestic investment.